World Bank loan

981. SHEI RAOOF VALIULLAH: Will the Minister of FINANCE be pleased to state;

(a) whether it is a fact that only 70 per cent of the loan amount received by the Government of India from the World Bank for State Government sponsored projects is passed on to the concerned State Governments; and

(b) if so, what are the reasons for retaining 30 per cent of the loan amount by the Central Government when the amount so received Js meant for meeting the costs of projects of State Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) Government of India have a well defined arrangement for transfer of resources from the Centre to States. The Finance Commission determines the norms of devolution of funds from Central tax receipts to state revenue every five year. The developmental plans of the States whirh include all externally aided projects are assisted through central assistance the bulk of which is distributed on the basis of what is; generally described as the revised Gadgil formula.

In determining the total resources for the country's plan, foreign assistance received is taken into account. The central assistance distributed to States therefore already takes into account the total foreign aid received. Consequently, the Central Assistance to any foreign aided project is more than what is reflected through 70 per cent additional central assistance on account of externally aide"d projects since it is in addition to the central assistance which is normally part of the Gadgil formula.

Loans by nationalised banks to November, 1984 riot victims

982. SHRI V. GOPALSAMY:

DR. SHYAM SUNDAR MOHAPATRA;

Will the Minister of FINANCE be pleased, to state:

(a) what is the number of riot affected victims of November. 1984 riots who were given loans by the nationalised banks, bank-wise;

(b) whether the Reserve Bank or his Ministry ha§ issued any special instructions to speed up the formalities for the release of loans to such victims;

(c) if so, when and what are the details thereof; and

(d) what is the total amount of loan assistance given by each of the nationalised banks to the riot affected victims?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) The loan assistance provided by each bank to the riot-affected persons as available from Reserve Bank of India is set out in the attached Statement. (See beloto) .

(b) and (c) Reserve Bank of India *vide* its circulars dated 6thf 12th and 14th November, 1984 issued to all the scheduled commercial banks, asked the banks to provide timely assistance in the form of loans etc. to enable the riot affected persons to rehabilitate themselves. These guidelines envisage conversion and rescheduling of existing loans and provision of additional working capital facilities, waiver or short-fall in margin, relaxation in security criteria and concessional rate of interest as per RBI directives. Reserve Bank of. India *vide* its circular dated December 12^